



# Missouri Department of Natural Resources Energy Center

## MISSOURI ENERGY BULLETIN

July 20, 2006

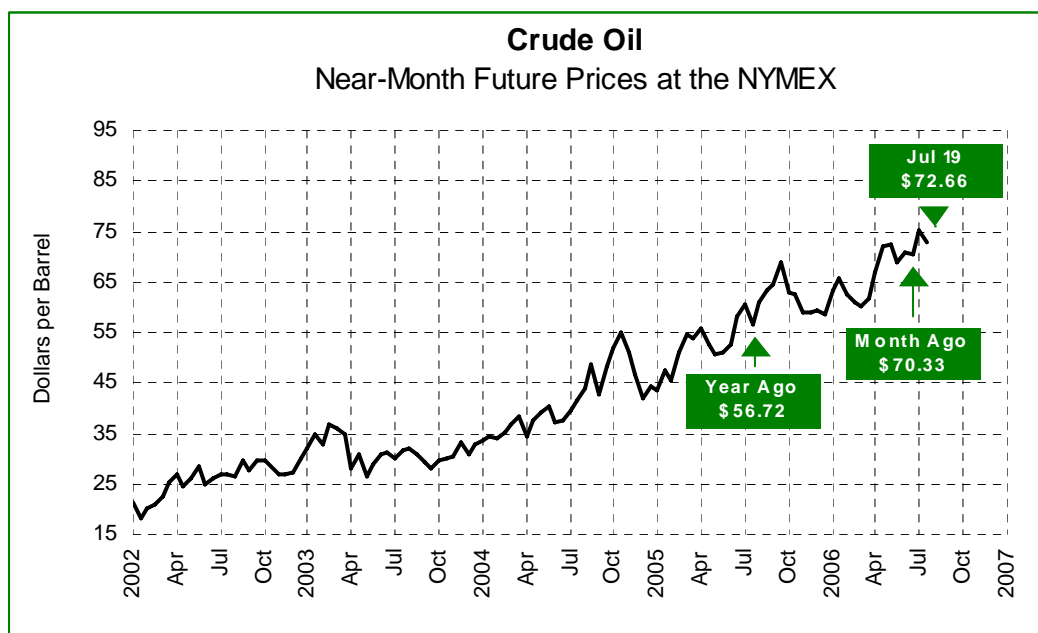
### Crude Oil

On July 19, crude oil futures for August delivery on the NYMEX fell \$0.88 to settle at \$72.66 per barrel, a 3-week low following a build in both U.S. crude and gasoline supplies.

*Crude Oil - Near Month Future Prices (dollars per barrel)*

	<u>07-19-06</u>	<u>06-21-06</u>	<u>change</u>	<u>07-20-05</u>	<u>change</u>
NYMEX	\$72.66	\$70.33	up 3%	\$56.72	up 28%

- Crude oil prices settled \$0.88 lower at \$72.66 per barrel on Wednesday, July 19 following a weekly storage report that reflected an increase in U.S. crude oil and gasoline supplies. Although crude prices fell from the all-time record high of \$77.03 per barrel on July 14, prices remain \$15.94 or 28 percent higher compared to the same period last year.
- Refinery related issues in Venezuela, Texas and in the Northeast Region prevented crude and gasoline prices from sliding further during the week. U.S. refineries reported operating at 93 percent capacity, up 2.4 percent from the prior week. Refinery inputs remain unchanged at 15.9 million barrels of crude oil per day compared to 15.6 million barrels per day for the same period last year.



- Following a severe storm in the St. Louis area on Wednesday evening, two major refineries and several petroleum terminals were left without power that impacted both production and distribution of petroleum products. An estimated 500,000 households lost electric service following the storm. The

refineries continue to perform damage assessment and are implementing restart procedures.

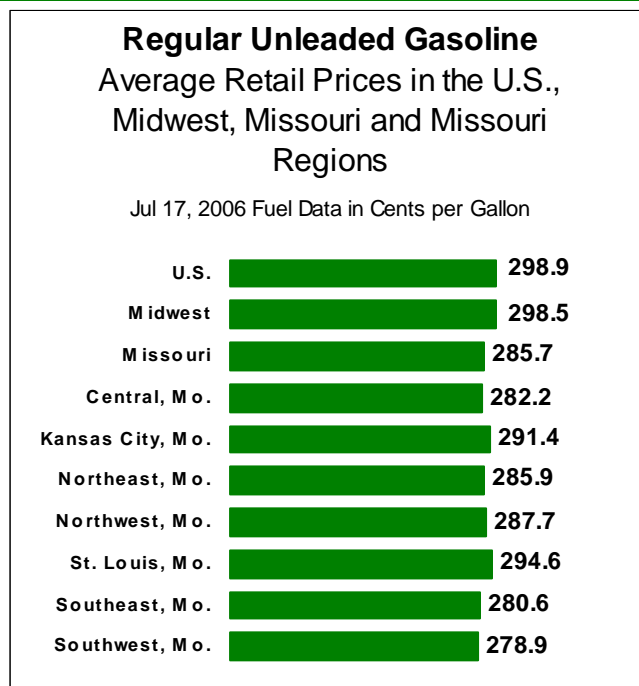
- Crude prices remain strong this year due in part to the on-going instability in oil producing regions including Iraq and Nigeria. Military actions by Israel in Lebanon against the militant faction Hezbollah that began on July 12 threaten to extend into Syria and have focused the market on potential oil disruptions from the Middle East. Nuclear ambitions by Iran as well as its threat against Israel if Israel attacks Syrian-based Hezbollah operations, are lending to higher tensions with the West.
- U. S. crude oil supplies increased 0.2 million barrels to 335.5 million barrels for the week ending July 14, according to the U.S. Department of Energy's weekly petroleum report.
- U.S. crude oil production decreased slightly for the week ending July 14 at approximately 5.3 million barrels per day, well above the 4.8 million barrels per day at this time last year. Crude imports decreased 10.7 million barrels compared to 10.8 million barrels per day at this time last year.

### **Transportation Fuels**

**On July 17, Missouri's average retail price for regular unleaded gasoline was \$0.21 higher than last month at \$2.86 per gallon, representing an 8 percent increase.**

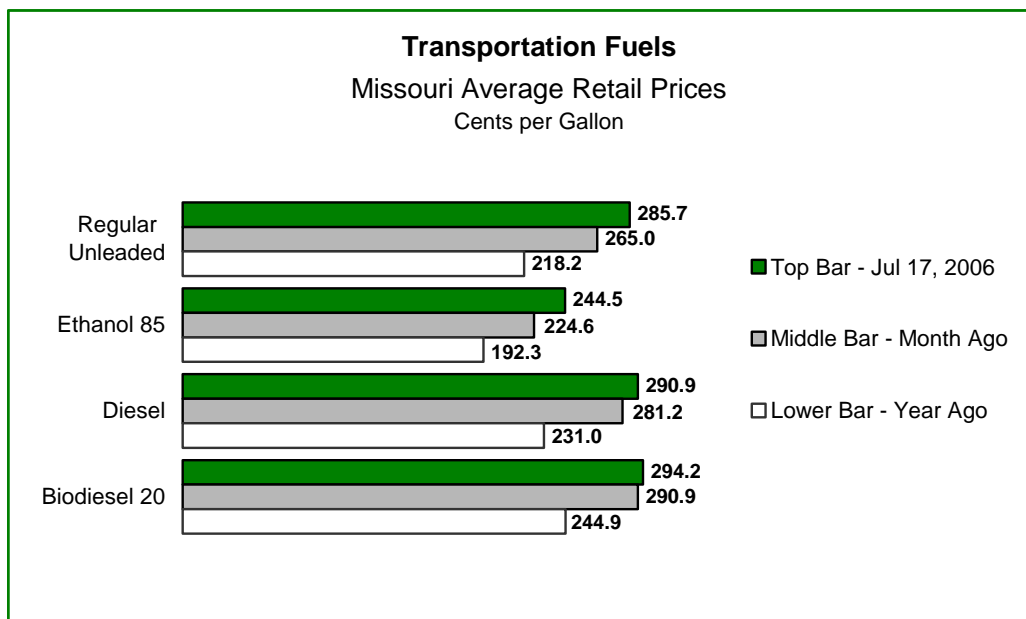
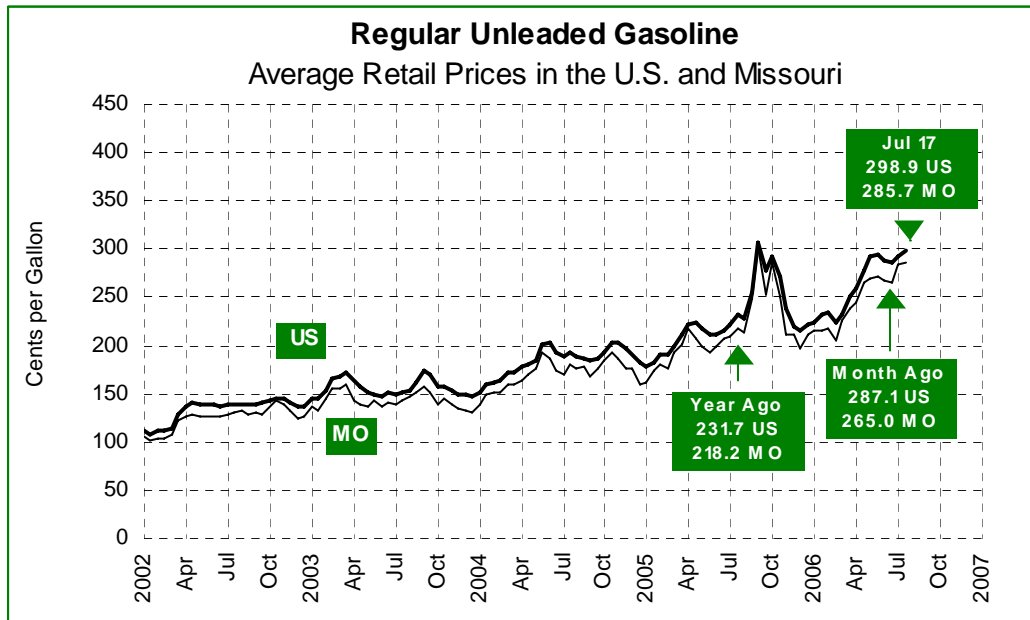
<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>07-17-06</u>	<u>06-19-06</u>	<u>change</u>	<u>07-18-05</u>	<u>change</u>
US	298.9	287.1	up 4%	231.7	up 29%
Missouri	285.7	265.0	up 8%	218.2	up 31%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>07-17-06</u>	<u>06-19-06</u>	<u>change</u>	<u>07-18-05</u>	<u>change</u>
US	292.6	291.5	up 1%	239.2	up 22%
Missouri	290.9	281.2	up 3%	231.0	up 26%



- On July 17, Missouri's statewide average gasoline retail price was up 20.7 cents while diesel retail

prices increased 9.7 cents from last month. Although Missouri retail prices continue to trend below the U.S. averages, prices for Missouri gasoline and diesel are 31 and 26 percent higher than last July, respectively. The U.S. average retail gasoline price was \$2.99 per gallon. The Energy Information Administration on July 11 projected retail summer gasoline prices would average \$2.88 compared to last year's \$2.37 average summer price.



- The average retail price of ethanol (85% blend or E-85) at Missouri retail stations on July 17 was \$2.45 compared to \$2.39 per gallon from the last survey conducted on July 3 and \$2.25 per gallon in mid-June.

Motor Gasoline - Total Stocks (millions of barrels)					
	07-14-06	06-16-06	change	07-15-05	change
US	214.2	213.4	up 1%	211.3	up 1%

- U.S. gasoline supplies are up 1.5 million barrels from a week ago at 214.2 million barrels and are 2.9

million barrels higher than last year's level at this time of nearly 211.3 million barrels, trending at the upper end of the five-year average. Higher gasoline production, strong gasoline imports averaging over 1 million barrels per day and a decline in motor gasoline demand contributed to the supply increase.

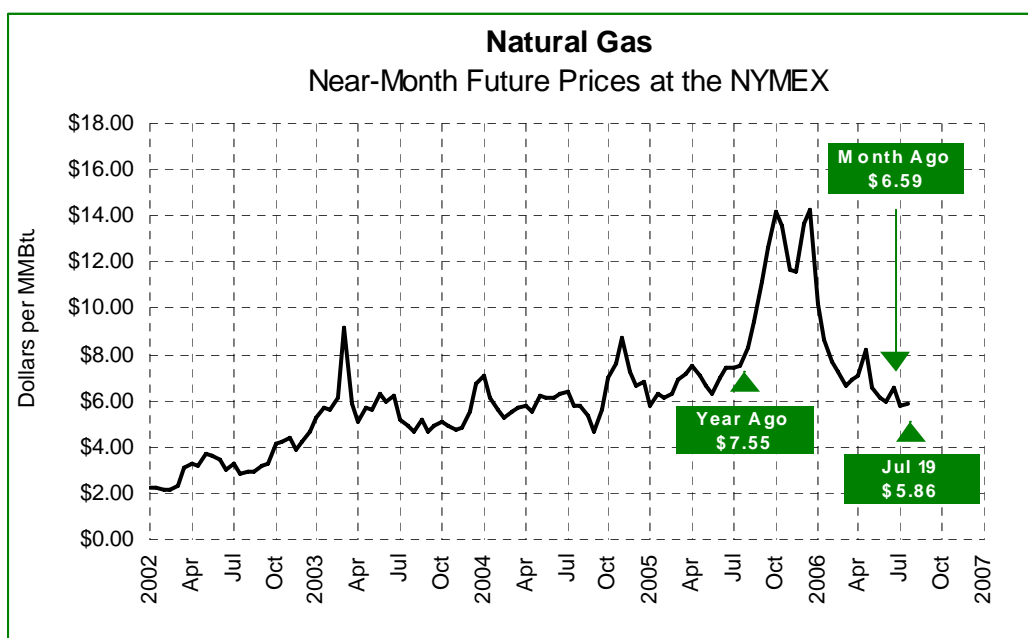
- Although implied demand for gasoline on a four-week average continues at 9.5 million barrels, the weekly average number fell slightly. Gasoline demand is currently 1.9 percent higher compared to the same period last year, in spite of higher retail gasoline prices.

## Natural Gas

**On July 19, natural gas futures closed at \$5.86 per MMBtu, an increase from the last survey, yet a decrease of 11 percent or \$0.73 since last month.**

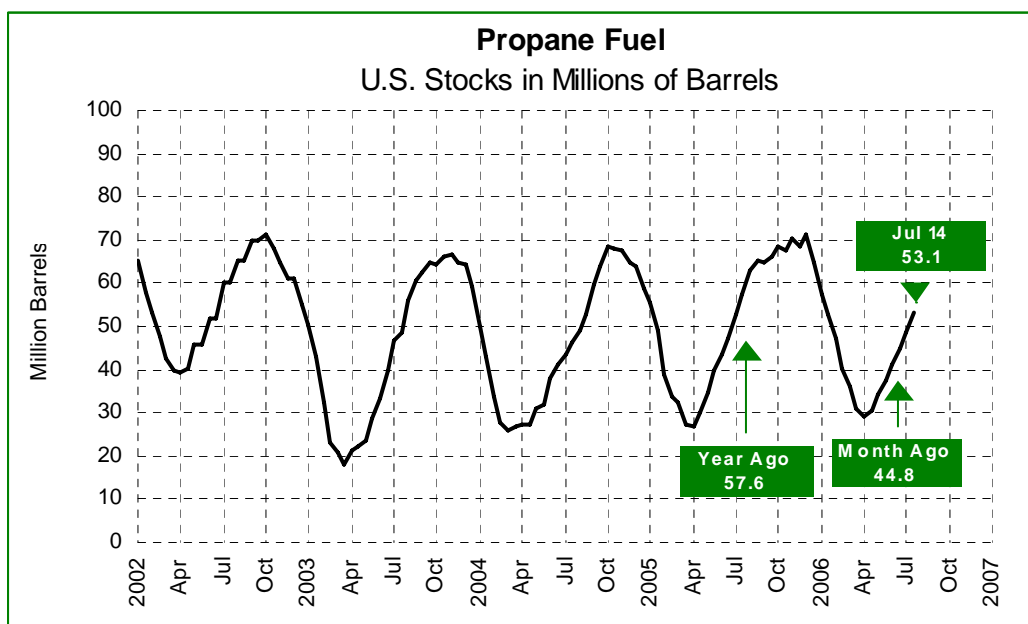
Natural Gas - Near Month Future Prices (dollars per mmbtu)					
	07-19-06	06-21-06	change	07-20-05	change
NYMEX	\$5.86	\$6.59	down 11%	\$7.55	down 22%

- The NYMEX futures contract for August delivery settled at \$5.862 per MMBtu on Wednesday, July 19, climbing 8 cents, or about 1 percent, from the settlement price of \$5.782 last Wednesday, July 12. This price is \$0.73 or 11 percent lower than the settlement price a month ago on June 21.
- Prices climbed since last Wednesday, July 12, with increases ranging between 1 and 61 cents per MMBtu at most market locations. Increased cooling load resulting from the hot temperatures that prevailed in most of the Lower 48 States likely contributed to the price hikes. As a heat wave enveloped most of the Lower 48 States late last week, prices rallied at most market locations through Monday, July 17, but declined somewhat in trading during the next 2 days.
- Working gas in storage totaled 2,763 Bcf as of Friday, July 14, which is about 26 percent above the 5-year average inventory level for the report week, according to EIA's Weekly Natural Gas Storage Report. Stocks were 427 Bcf higher than last year at this time and 562 Bcf above the 5-year average of 2,201 Bcf.



## Propane

Propane - Residential Prices (cents per gallon)					
	<u>07-03-06</u>	<u>06-05-06</u>	<u>change</u>	<u>07-04-05</u>	<u>change</u>
Missouri	160.8	158.9	up 1%	138.8	up 16%



- According to the Missouri Energy Center's monthly summer propane survey, the average retail price for residential propane was \$1.61 per gallon on July 3 compared to \$1.59 per gallon on June 5. The current price is 22 cents or 16 percent higher than at this time last year.
- Last week, U.S. inventories of propane moved moderately higher with a 1.8 million barrel increase placing inventories at an estimated 53.1 million barrels as of July 14, 2006, a level that continues to track within the 5-year average range for this time of year. Midwest inventories improved by 0.9 million barrels to nearly 22 million barrels for the week ending July 14. Midwest inventories stood at 19.5 million barrels at this time last year.

The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the Energy Center Internet address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; regional state energy offices; and Missouri's energy retailers.

For more information, contact: MO Dept. of Natural Resources, Energy Center, P.O. Box 176, Jefferson City, MO 65102-0176; Phone: (573) 751-3443 or (800) 361-4827; Fax: (573) 751-6860; E-mail: [energy@dnr.mo.gov](mailto:energy@dnr.mo.gov); Web Address: [www.dnr.mo.gov/energy/transportation/fb.htm](http://www.dnr.mo.gov/energy/transportation/fb.htm)